



County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012
(213) 974-1101
<http://cao.co.la.ca.us>

DAVID E. JANSSEN
Chief Administrative Officer

March 14, 2006

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**SEVEN-YEAR LEASE – PUBLIC DEFENDER
9830 NORWALK BOULEVARD, SANTA FE SPRINGS
(FIRST DISTRICT) (3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Mayor to sign the attached seven-year lease with Colonnade Nobbs LLC (Landlord) for the occupancy of 30,911 square feet of warehouse space for the Public Defender (PD) at 9830 Norwalk Boulevard, Santa Fe Springs, at a maximum initial annual rental cost of \$241,106. The rental costs will be 100 percent net County cost.
2. Authorize the Director of the Internal Services Department (ISD) and the PD, at the direction of the Chief Administrative Office (CAO), to acquire telephone, data, and low-voltage systems at a cost not to exceed \$20,000. The telephone, data, and low-voltage systems shall be paid by the PD.
3. Find that the lease is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Class 1, Section r of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15061 (b) (3) of the State CEQA Guidelines.
4. Approve the project and authorize the CAO, PD and ISD to implement the project. The lease will be effective upon approval by your Board, but the term and rent will commence upon completion of the Tenant Improvements (TI) by the Landlord and acceptance thereof by the County of Los Angeles (County).

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this recommended action is to enter into a lease which will allow the PD to consolidate its document storage and retrieval into a single warehouse to be utilized as a records management facility. While the PD was approved for 27,416 square feet of warehouse/office space, the proposed lease exceeds this amount by thirteen percent. No space was available that precisely fit the requirement. However, the proposed lease costs are below the approved lease budget for this requirement. If any warehouse space remains unused, it will be made available to other County users that have approved warehouse needs.

A portion of the proposed warehouse consisting of approximately 2,000 square feet of space currently includes a main communications room, office space, restrooms and a kitchenette. This space will be used by the PD to digitally image case files and to house up to five full time employees. This pre-existing office space exceeds the 260 square feet and 50 square feet that was approved for office space and imaging space, respectively. It is more cost effective to accept this space as-is instead of demolishing and downsizing the space.

The leasing of warehouse space is necessary to safely and adequately house closed case files, which must be retained in perpetuity under an ethical obligation requirement imposed by the California State Bar and practical legal use considerations related to Three Strikes legislation. The closed case files will originate from various locations throughout the County where they have been temporarily stored pending the leasing of a warehouse facility.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Countywide Strategic Plan directs that we enhance the quality and productivity of the County workforce (Goal 2). The proposed lease supports this goal by providing a quality and efficient work environment for the PD's employees, which is conducive to maximizing employee productivity. Compliance with the County's Strategic Asset Management Principles is further outlined in Attachment A.

FISCAL IMPACT/FINANCING

The maximum initial annual rental cost is estimated to be \$241,106. The rent will be subject to an annual adjustment based on the Consumer Price Index, with a minimum adjustment of two percent and a maximum adjustment of four percent.

9830 Norwalk Boulevard, Santa Fe Springs	Proposed Lease
Area (Square Feet)	30,911
Term (Years)	Seven years commencing upon Board approval and completion of TI.
Annual Rent	\$ 241,106 (\$7.80/sq.ft.)
Base TI Allowance	\$ 25,000 (\$0.81/sq.ft.)
Additional TI Allowance	\$0.00 (\$0/sq.ft.)
Maximum Annual Rent*	\$ 241,106 (\$7.80/sq.ft.)
Cancellation	After the 36 th month upon four months written notice.
Parking (included in Rent)	31 spaces

Sufficient funding for the proposed lease is included in the 2005-06 Rent Expense Budget and will be billed back to the PD. The PD has sufficient funds in its 2005-06 operating budget to cover the projected lease costs. The rental cost for the PD is 100 percent net County cost.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The proposed seven-year lease agreement comprises 30,911 square feet of warehouse/office space, along with 31 parking spaces. The proposed lease contains the following provisions:

- The term commences upon completion of the TI by the Landlord, and acceptance thereof by the County. Seven years thereafter, the term expires.
- Modified gross service whereby the Landlord is responsible for all operating costs associated with the County's tenancy, except utilities.
- A cancellation provision allowing the County to cancel anytime after the third year upon four months' advance notice to the Landlord.
- A base TI allowance in the amount \$25,000 is included in the rent.

- On-site parking for 31 vehicles is included in the rent, which shall be adequate for the five staff members assigned to the warehouse. These parking spaces were included with the warehouse as part of the landlord's standard parking ratio for this business park. Since this requirement was approved for 5 parking spaces, there will be 26 spaces available for use by the Sheriff and the Department of Children and Family Services who are located at this business park.
- Shelving systems to store files and documents will be acquired directly by the PD.

CAO Real Estate staff surveyed the Santa Fe Springs area to determine the availability of comparable and more economical sites. Staff was unable to identify any sites in the surveyed areas that could accommodate this requirement more economically. Attachment B shows all County-owned and leased facilities within the search areas for these programs. There are no County-owned or leased facilities available for this program.

Based upon the survey of similar properties within the specified area, staff has determined that base rental range including parking for a full service lease is between \$6.60 and \$8.40 per square foot per year. Thus, the proposed base annual rent of \$7.80 per square foot represents a rate within the market range for the area.

The Department of Public Works has inspected the subject facility and found it suitable for the County's occupancy under a lease.

A childcare facility at this warehouse location is not feasible due to the nature of their use.

ENVIRONMENTAL DOCUMENTATION

The CAO has made an initial study of environmental factors and has concluded that this project is exempt from CEQA as specified in Class 1, Section r, of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15061 (b) (3) of the State CEQA Guidelines.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

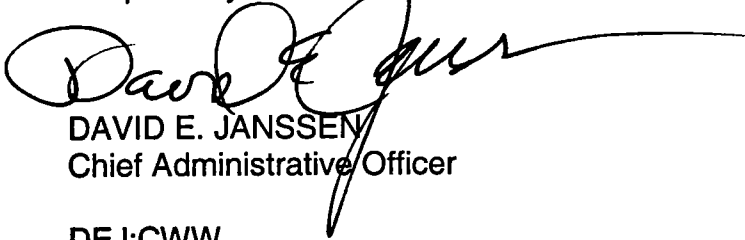
The proposed lease will provide the necessary warehouse space for this County requirement. In accordance with your Board's policy on the housing of any County offices or activities, the PD concurs in this lease recommendation.

The Honorable Board of Supervisors
March 14, 2006
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CONCLUSION

It is requested that the Executive Officer, Board of Supervisors, return two originals of the executed lease agreement and the adopted, stamped Board letter, and two certified copies of the Minute Order to the CAO, Real Estate Division at 222 South Hill Street, 4th Floor, Los Angeles, CA 90012 for further processing.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "David E. Janssen", with a long horizontal flourish extending to the right.

DAVID E. JANSSEN
Chief Administrative Officer

DEJ:CWW
CEM:KW:hd

Attachments (3)

c: County Counsel
Public Defender

PUBLIC DEFENDER
9830 NORWALK BOULEVARD, SANTA FE SPRINGS
Asset Management Principles Compliance Form¹

1.	<u>Occupancy</u>	Yes	No	N/A
A	Does lease consolidate administrative functions? ²			X
B	Does lease co-locate with other functions to better serve clients? ²			X
C	Does this lease centralize business support functions? ²			X
D	Does this lease meet the guideline of 200 sq. ft of space per person? ² This is warehouse space occupied by up to 5 FTE's.		X	
2.	<u>Capital</u>			
A	Is it a substantial net County cost (NCC) program?	X		
B	Is this a long term County program?	X		
C	If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?		X	
D	If no, are there any suitable County-owned facilities available?		X	
E	If yes, why is lease being recommended over occupancy in County-owned space?			X
F	Is Building Description Report attached as Attachment B?	X		
G	Was build-to-suit or capital project considered? ? Build-to-suit and capital projects are cost-prohibitive for this Department.		X	
3.	<u>Portfolio Management</u>			
A	Did department utilize CAO Space Request Evaluation (SRE)?	X		
B	Was the space need justified?	X		
C	If a renewal lease, was co-location with other County departments considered?			X
D	Why was this program not co-located?			
	1. ____ The program clientele requires a "stand alone" facility.			
	2. <u>X</u> No suitable County occupied properties in project area.			
	3. <u>X</u> No County-owned facilities available for the project.			
	4. ____ Could not get City clearance or approval.			
	5. ____ The Program is being co-located.			
E	Is lease a full service lease? ² Landlord is responsible for operating expenses, except utilities.		X	
F	Has growth projection been considered in space request?	X		
G	Has the Dept. of Public Works completed seismic review/approval?	X		
	¹ As approved by the Board of Supervisors 11/17/98			

²If not, why not?

ATTACHMENT B

**SPACE SEARCH, 5 MILES WITHIN CIVIC CENTER
PUBLIC DEFENDER**

LACO	FACILITY NAME	ADDRESS	GROSS SQ. FT.	NET SQ. FT.	OWNERSHIP	AVAILABLE SQ. FT.
5461	DHS-Public Health	5205 Melrose Ave, Los Angeles 90038	27578	14811	OWNED	NONE
5805	Mental Health Courthouse	1150 N. San Fernando Rd, Los Angeles 90065	28523	16817	OWNED	NONE
C760	DPSS-East L.A. GROW	2200 N. Humboldt St, Los Angeles 90031	23655	17554	LEASED	NONE
C269	DPSS-Lincoln Heights Office	4077 N. Mission Rd, Los Angeles 90032	26094	18575	LEASED	NONE
A578	AUDITOR-Shared Services Office	3470 Wilshire Bl, Los Angeles 90010	11400	10830	LEASED	NONE
A424	DPSS-Equitable Building	3435 Wilshire Bl, Los Angeles 90010	65872	62578	LEASED	NONE
A532	DHS-Metroplex Building	3530 Wilshire Bl, Los Angeles 90010	113027	101920	LEASED	NONE
A425	DCFS Headquarters	425 Shatto Pl, Los Angeles 90020	80756	76065	LEASED	NONE
A369	DCFS-Procurement	501 Shatto Pl, Los Angeles 90020	17751	15976	LEASED	NONE
A408	DCFS-Borax Building	3075 Wilshire Bl, Los Angeles	132488	105568	LEASED	NONE
X532	DCSS-Le Sage Complex	532 S. Vermont Ave, Los Angeles	14126	10314	OWNED	NONE
X317	DCSS-Le Sage Complex	3175 W. 6 th St, Los Angeles 90020	52230	42341	OWNED	NONE
A413	Human Resources-Wilshire Square	3333 Wilshire Bl, Los Angeles 90010	76304	65438	LEASED	NONE
A160	DMH Headquarters Annex	3160 W 6 th St, Los Angeles 90020	60800	28372	LEASED	NONE
X550	DMH Headquarters	550 S. Vermont Ave, Los Angeles 90020	171651	149668	OWNED	NONE
X510	Parks & Rec Le Sage Complex	510 S. Vermont Ave, Los Angeles 90020	31540	24835	OWNED	NONE
Y193	Parks & Rec Headquarters	433 S. Vermont Ave, Los Angeles 90020	31862	21777	OWNED	NONE
A336	Sheriff-Wilshire Centre Building	3055 Wilshire Bl, Los Angeles 90010	7755	7115	LEASED	NONE
B695	DHS-Immunization & Env Health	695 S. Vermont Ave, Los Angeles 90010	14274	12847	LEASED	NONE
C660	DPSS-GAIN	2910 W. Beverly Bl, Los Angeles 90057	120327	33635	LEASED	NONE
A600	Central Civil West Courthouse	600 S. Commonwealth Ave, Los Angeles 90005	208799	156237	LEASED	NONE
B500	DHS-Workforce Development	500 S. Virgil Ave, Los Angeles 90020	8000	7200	PERMIT	NONE
A360	DPSS-CALWORKS	2601 Wilshire Bl, Los Angeles 90057	62000	60140	LEASED	NONE
B922	DPSS-District Office	2415 W 6 th St, Los Angeles 90057	46228	42065	LEASED	NONE
D015	DPSS-Catholic Charities	1530 James M Wood Bl, Los Angeles 90017	200	200	PERMIT	NONE

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PUBLIC DEFENDER**

LACO	FACILITY NAME	ADDRESS	GROSS SQ. FT.	NET SQ. FT.	OWNERSHIP	AVAILABLE SQ. FT.
5353	DPSS-District Office	2707 S. Grand Ave, Los Angeles 90007	115242	89650	OWNED	NONE
6518	The Adams & Grand Building	2615 S. Grand Ave, Los Angeles 90007	215439	183874	OWNED	NONE
A388	APD-Wilshire Bixel Building	1055 Wilshire Bl, Los Angeles 90017	6500	6175	LEASED	NONE
5266	Metro Courthouse	1945 S. Hill St, Los Angeles 90007	303434	125469	FINANCED	NONE
5546	DHS-Public Health	241 N. Figueroa St, Los Angeles 90012	60924	34748	OWNED	NONE
A159	DA-Figueroa Plaza	201 N. Figueroa St, Los Angeles 90012	38814	36873	LEASED	NONE
5456	DHS-Administration Building	313 N. Figueroa St, Los Angeles 90012	221359	134851	OWNED	NONE
0181	Kenneth Hahn Hall of Administration	500 W. Temple St, Los Angeles 90012	958090	591457	FINANCED	NONE
3155	Performing Arts Center	301 N. Grand Ave, Los Angeles 90012	27582	17978	OWNED	NONE
0155	Stanley Mosk Courthouse	111 N. Hill St, Los Angeles 90012	794459	441761	OWNED	NONE
A429	CAO-Real Estate & Service Integration	222 S. Hill St, Los Angeles 90012	29013	26082	LEASED	NONE
A442	DMH-LAPD SMART Team	419 S. Spring St, Los Angeles 90013	1000	1000	PERMIT	NONE
3154	Clara Shortridge Foltz Criminal Justice Center	210 W. Temple St, Los Angeles 90012	1036283	399535	FINANCED	NONE
Y356	El Pueblo	111 Republic St, Los Angeles 90012	16517	14524	OWNED	14524
0144	El Pueblo	510 New High St, Los Angeles 90012	35683	22753	OWNED	22753
0142	El Pueblo	507 N. Main St, Los Angeles 90012	15618	11154	OWNED	11154
0143	El Pueblo	501 N. Main St, Los Angeles 90012	34350	29710	OWNED	29710
0495	El Pueblo	300 W. Cesar Chavez Ave, Los Angeles 90012	2800	2380	OWNED	2380
0101	Hall of Justice (Not habitable)	211 W. Temple St, Los Angeles 90012	570811	306487	OWNED	NONE
0156	Hall of Records	320 W. Temple St, Los Angeles 90012	438095	258677	OWNED	NONE
Y013	DPSS-GROW	813 E. 4 th Pl, Los Angeles 90013	39956	25158	OWNED	NONE
A384	AG COMM/WTs & MEASURES	1320 E. Olympic Bl, Los Angeles 90021	776	776	LEASED	NONE
5979	Central Arraignment Courthouse	429 Baughet St, Los Angeles 90012	83692	30638	FINANCED	NONE
C863	DHS-Patient Financial Services	1910 N. Main St, Los Angeles 90031	13300	8919	LEASED	NONE
5260	Coroner Administration Building	1102 N. Mission Rd, Los Angeles 90033	22479	14251	OWNED	NONE

ATTACHMENT B

**SPACE SEARCH, 5 MILES WITHIN CIVIC CENTER
PUBLIC DEFENDER**

LACO	FACILITY NAME	ADDRESS	GROSS SQ. FT.	NET SQ. FT.	OWNERSHIP	AVAILABLE SQ. FT.
6483	Medical Center-Masonry Shop	1739 Griffin Ave, Los Angeles 90031	1040	950	OWNED	NONE
5509	Medical Center-Masonry Shop Annex	1200 N. State St, Los Angeles 90033	910	736	OWNED	NONE
5510	Medical Center-Masonry Shop Annex	1200 N. State St, Los Angeles 90033	910	831	OWNED	NONE
5699	Medical Center-Chaplain's Center	1200 N. State St, Los Angeles 90033	1940	1454	OWNED	NONE
T539	Medical Center-Clinical Research	1200 N. State St, Los Angeles 90033	780	672	OWNED	NONE
T620	Medical Center-EMS	1200 N. State St, Los Angeles 90033	1200	1049	OWNED	NONE
0135	Medical Center-Gardener's Office	1200 N. State St, Los Angeles 90033	612	530	OWNED	NONE
0284	Medical Center-Health Research	1200 N. State St, Los Angeles 90033	1200	1000	OWNED	NONE
T541	Medical Center-Home Care	1200 N. State St, Los Angeles 90033	1376	1223	OWNED	NONE
T226	Medical Center-Local Worker Hiring	1200 N. State St, Los Angeles 90033	1440	1200	PERMIT	NONE
0808	Medical Center-Old Administration Building	1100 N. Mission Rd, Los Angeles 90033	18651	11430	OWNED	11430
T547	Medical Center-Patient Financial Services	1240 N. Mission Rd, Los Angeles 90033	2588	1967	OWNED	NONE
T555	Medical Center-Patient Financial Services	1200 N. State St, Los Angeles 90033	4661	3482	OWNED	NONE
T542	Medical Center-Patient Financial Services	1200 N. State St, Los Angeles 90033	10512	7872	OWNED	NONE
T556	Medical Center-Patient Financial Services	1200 N. State St, Los Angeles 90033	2973	2461	OWNED	NONE
T546	Medical Center-Patient Financial Services	1240 N. Mission Rd, Los Angeles 90033	5190	4095	OWNED	NONE
0837	Medical Center-Personnel Office	1200 N. State St, Los Angeles 90033	2980	1761	OWNED	NONE
0838	Medical Center-Quality Assurance	1200 N. State St, Los Angeles 90033	2980	2341	OWNED	NONE
T544	Medical Center-Quality Assurance	1200 N. State St, Los Angeles 90033	4334	3629	OWNED	NONE
T618	Medical Center-Replacement	1200 N. State St, Los Angeles 90033	944	785	OWNED	NONE
T619	Medical Center-Research Committee Office	1200 N. State St, Los Angeles 90033	820	702	OWNED	NONE
T543	Medical Center-Research Committee Trailer	1200 N. State St, Los Angeles 90033	384	330	OWNED	NONE
6496	Medical Center-Transportation Bldg	1830 Griffin Ave, Los Angeles 90033	1050	940	OWNED	NONE

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**SPACE SEARCH, 5 MILES WITHIN CIVIC CENTER
PUBLIC DEFENDER**

LACO	FACILITY NAME	ADDRESS	GROSS SQ. FT.	NET SQ. FT.	OWNERSHIP	AVAILABLE SQ. FT.
3100	Eastlake Juvenile Court	1601 Eastlake Ave, Los Angeles 90033	47379	26024	OWNED	NONE
3102	Juvenile Hall Administration Bldg	1605 Eastlake Ave, Los Angeles 90033	75907	33945	OWNED	NONE
4799	DPW-Central Yard	1525 Alcazar St, Los Angeles 90033	10438	7224	OWNED	NONE
3374	DPW-Central Yard Survey Office	1525 Alcazar St, Los Angeles 90033	2219	1616	OWNED	1616
C110	Medical Center-Expenditure Mgmt	2064 Marengo St, Los Angeles 90033	9602	7010	LEASED	NONE
C111	Medical Center-Expenditure Mgmt	1063 N. Chicago St, Los Angeles 90033	3338	1823	LEASED	NONE
4946	Medical Center-Interns Building	2020 Zonal Ave, Los Angeles 90033	142448	79494	OWNED	NONE
X294	DPW-Central Yard Office Building	2275 Alcazar St, Los Angeles 90033	1400	1260	OWNED	NONE
1491	DHS-Crematory Office	3301 E. 1 st St, Los Angeles 90063	1517	1106	OWNED	NONE
Y307	Public Library-City Terrace	4025 E. City Terrace Dr, Los Angeles 90063	8007	6984	OWNED	NONE
4526	Biscailuz Administration Bldg	1060 N. Eastern Ave, Los Angeles 90063	16571	11428	OWNED	NONE
4422	Biscailuz Dormitories (closed)	1060 N. Eastern Ave, Los Angeles 90063	6320	4620	OWNED	NONE
4424	Biscailuz Dormitories (closed)	1060 N. Eastern Ave, Los Angeles 90063	6320	4620	OWNED	NONE
1672	Biscailuz Dormitories (closed)	1060 N. Eastern Ave, Los Angeles 90063	2745	1991	OWNED	NONE
5041	Biscailuz Dormitories (closed)	1060 N. Eastern Ave, Los Angeles 90063	6320	4620	OWNED	NONE
5042	Biscailuz Dormitories (closed)	1060 N. Eastern Ave, Los Angeles 90063	6320	4620	OWNED	NONE
1673	Biscailuz Dormitories (closed)	1060 N. Eastern Ave, Los Angeles 90063	2745	1991	OWNED	NONE
3990	Biscailuz Dormitories (closed)	1060 N. Eastern Ave, Los Angeles 90063	2783	2147	OWNED	NONE
3991	Biscailuz Dormitories (closed)	1060 N. Eastern Ave, Los Angeles 90063	2745	1991	OWNED	NONE
3992	Biscailuz Dormitories (closed)	1060 N. Eastern Ave, Los Angeles 90063	2888	1333	OWNED	NONE
5040	Biscailuz Dormitories (closed)	1060 N. Eastern Ave, Los Angeles 90063	6320	4620	OWNED	NONE
3544	Biscailuz Fallout Shelter (closed)	1060 N. Eastern Ave, Los Angeles 90063	3402	1908	OWNED	NONE
3364	Biscailuz Gymnasium (closed)	1060 N. Eastern Ave, Los Angeles 90063	9992	7560	OWNED	NONE

ATTACHMENT B

**SPACE SEARCH, 5 MILES WITHIN CIVIC CENTER
PUBLIC DEFENDER**

LACO	FACILITY NAME	ADDRESS	GROSS SQ. FT.	NET SQ. FT.	OWNERSHIP	AVAILABLE SQ. FT.
T532	Biscailuz Library Trailer (closed)	1060 N. Eastern Ave, Los Angeles 90063	720	684	OWNED	NONE
4423	Biscailuz Mental Health Recovery Ctr	1060 N. Eastern Ave, Los Angeles 90063	6320	4620	OWNED	4620
Y322	Biscailuz Dormitories (closed)	1060 N. Eastern Ave, Los Angeles 90063	6912	6737	OWNED	6737
T613	Biscailuz Supplies Storage	1060 N. Eastern Ave, Los Angeles 90063	1530	1449	OWNED	NONE
T614	Biscailuz Supplies Storage	1060 N. Eastern Ave, Los Angeles 90063	1500	1328	OWNED	NONE
T615	Biscailuz Trailers (closed)	1060 N. Eastern Ave, Los Angeles 90063	2160	2059	OWNED	2059
T576	Biscailuz Trailers (closed)	1060 N. Eastern Ave, Los Angeles 90063	2160	1719	OWNED	NONE
4231	Biscailuz Training Facility	1060 N. Eastern Ave, Los Angeles 90063	1660	1372	OWNED	NONE
0953	Biscailuz Visual Aids Warehouse	1060 N. Eastern Ave, Los Angeles 90063	4393	3240	OWNED	NONE
Y321	Biscailuz Weights & Measurement Bldg	1060 N. Eastern Ave, Los Angeles 90063	1500	1366	OWNED	NONE
X258	Biscailuz Woodshop (closed)	1060 N. Eastern Ave, Los Angeles 90063	6289	5660	OWNED	NONE
6131	DCSS-Service Center	133 N. Sunol Dr, Los Angeles 90063	28514	21777	OWNED	NONE
X707	Anthony Quinn Public Library	3965 Cesar E Chavez Ave, Los Angeles 90063	7275	6077	OWNED	NONE
A930	El Camino Real Public Library	4264 E. Whittier Bl, Los Angeles 90023	3280	2563	OWNED	NONE
X201	Edmund D Edelman Children's Court	201 Centre Plaza Dr, Monterey Park 91754	275530	181958	FINANCED	NONE
A423	Sheriff-Personnel	101 Centre Plaza Dr, Monterey Park 91754	37590	33831	LEASED	NONE
3542	FIRE-Administrative Headquarters	1320 N. Eastern Ave, Los Angeles 90063	39015	24288	FINANCED	NONE
T557	FIRE-Manual Revisions Trailer	1320 N. Eastern Ave, Los Angeles 90063	520	479	OWNED	NONE
X155	ISD-Eastern Ave Complex	1112 N. Eastern Ave, Los Angeles 90063	4960	4638	OWNED	NONE
4513	Sybil Brand Activities Bldg (closed)	4500 E. City Terrace Dr, Monterey Park 91754	5616	3452	OWNED	3452
4512	Sybil Brand Auditorium (closed)	4500 E. City Terrace Dr, Monterey Park 91754	8192	6327	OWNED	6327
T575	Sybil Brand Classroom Trailer (closed)	4500 E. City Terrace Dr, Monterey Park 91754	2080	1955	OWNED	1955
4510	Sybil Brand Main Jail Bldg (closed)	4500 E. City Terrace Dr, Monterey Park 91754	213009	119220	OWNED	119220
T574	Sybil Brand Weight Room (closed)	4500 E. City Terrace Dr, Monterey Park 91754	521	459	OWNED	459
5863	ISD Headquarters	1100 N. Eastern Ave, Los Angeles 90063	80309	58826	FINANCED	NONE

**SPACE SEARCH, 5 MILES WITHIN CIVIC CENTER
PUBLIC DEFENDER**

LACO	FACILITY NAME	ADDRESS	GROSS SQ. FT.	NET SQ. FT.	OWNERSHIP	AVAILABLE SQ. FT.
5870	ISD-Eastern Ave Complex	1100 N. Eastern Ave, Los Angeles 90063	37742	28973	FINANCED	NONE
T590	ISD-Eastern Ave Complex	1100 N. Eastern Ave, Los Angeles 90063	1224	1016	GRATIS USE	NONE
T061	ISD-Eastern Ave Complex	1100 N. Eastern Ave, Los Angeles 90063	7200	6840	LEASED	NONE
T039	Sheriff Eastern Ave Complex Fleet	1104 N. Eastern Ave, Los Angeles 90063	1548	1428	OWNED	NONE
2130	DPW-Road Maintenance Yard	4304 Eugene St, Los Angeles 90022	397	227	OWNED	NONE
X167	Sherman Block Sheriff's Headquarters	4700 W. Ramona Bl, Monterey Park 91754	125000	106250	FINANCED	NONE
A015	DCFS-Monterey Park	2525 Corporate Pl, Monterey Park 91754	29542	27820	LEASED	NONE
A324	FIRE-Employee Relations Office	1255 Corporate Center Dr, Monterey Park 91754	3079	2925	LEASED	NONE
Y135	Centro Maravilla Service Center	4716 Cesar E Chavez Ave, Los Angeles 90022	3612	1948	OWNED	NONE
Y136	Centro Maravilla Service Center	4716 Cesar E Chavez Ave, Los Angeles 90022	4073	3112	OWNED	NONE
T509	Parks & Rec-Prop A Field Office	4914 Cesar E Chavez Ave, Los Angeles 90022	540	424	OWNED	NONE
3241	East Los Angeles Courthouse	214 S. Fetterly Ave, Los Angeles 90022	126972	63347	FINANCED	NONE
4364	Probation-East Los Angeles Office	144 S. Fetterly Ave, Los Angeles 90022	15584	11327	OWNED	NONE
0522	East Los Angeles Public Library	4837 E 3 rd St, Los Angeles 90022	20000	18000	OWNED	NONE
5412	East Los Angeles Public Library	4801 E 3 rd St, Los Angeles 90022	14848	11740	OWNED	NONE
5276	DHS-Dr Ruth Temple Public Health Center	3834 S Western Ave, Los Angeles 90016	29023	16627	OWNED	NONE
Y346	DHS-Dr Ruth Temple Public Health Annex	3822 S. Western Ave, Los Angeles 90016	3120	2390	OWNED	NONE
A436	DPSS-Exposition Park Family Service Center	3833 S. Vermont Ave, Los Angeles 90037	127511	110500	LEASED	NONE
6578	DPSS-Metro East AP Office	2855 E. Olympic Bl, Los Angeles 90023	63066	29220	OWNED	NONE
4465	DF Kirby Center	1500 S. McDonnell Ave, Commerce 90022	18169	10117	OWNED	NONE
B460	DPSS-GAIN	5460 Bandini Bl, Bell 90201	31400	21815	LEASED	NONE
A133	CSSD-Administration Office	5770 S. Eastern Ave, Commerce 90040	84477	63413	LEASED	NONE
A332	CSSD-Computer Dept	5500 S. Eastern Ave, Commerce 90040	48794	46354	LEASED	NONE
A570	CSSD-Interstate Div	5701 S. Eastern Ave, Commerce 90040	61130	55017	LEASED	NONE
A188	Sheriff-Intl Affairs & Risk Mgmt	4900 S. Eastern Ave, Commerce 90040	37433	31819	LEASED	NONE

COUNTY OF LOS ANGELES
CHIEF ADMINISTRATIVE OFFICE
LEASE AGREEMENT

DEPARTMENT: Public Defender, as Tenant

LANDLORD: Colonnade Nobbs, LLC, a California limited liability corporation

9830 Norwalk Blvd., Santa Fe Springs

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COUNTY OF LOS ANGELES
CHIEF ADMINISTRATIVE OFFICE
LEASE AGREEMENT

THIS LEASE AND AGREEMENT, made and entered into in duplicate original as of the _____ day of _____, 2006 by and between Colonnade Nobbs, LLC, a California limited liability company ("Landlord"), and COUNTY OF LOS ANGELES, a body politic and corporate ("Tenant").

Landlord and Tenant agree:

1. BASIC LEASE INFORMATION. The following terms as used herein shall have the meanings provided in this Section 1, unless otherwise specifically modified by provisions of this Lease:

- | | |
|--|--|
| (a) <u>Landlord's Address for Notice:</u> | <u>Colonnade Nobbs, LLC</u>
<u>c/o SVN Management, Inc.</u>
<u>18831 Von Karmen, Suite 200</u>
<u>Irvine, CA 92614</u> |
| (b) <u>Tenant's Address for Notice:</u> | Board of Supervisors
Kenneth Hahn Hall of Administration,
Room 383
500 West Temple Street
Los Angeles, California 90012 |
| With a copy to: | |
| Chief Administrative Office
Real Estate Division
222 South Hill Street, 3 rd Floor
Los Angeles, California 90012
Attention: Director of Real Estate | |
| (c) <u>Premises:</u> | Approximately 30,911 square feet in the Building (defined below) as shown on <u>Exhibit A</u> attached hereto. |
| (d) <u>Building:</u> | The building located at 9830 Norwalk Blvd., Santa Fe Springs which is located upon the real property described more particularly in <u>Exhibit B</u> attached hereto (the "Property"); |

- (e) Term: Seven (7) years commencing thirty (30) days after Tenant's Acceptance of the Premises as defined in Section 4(a) (the "Commencement Date"); or sixty (60) days after the execution of this Lease by the County, whichever is later, and terminating at midnight on the day before the Seventh (7th) anniversary of the Commencement Date (the "Termination Date"), subject to earlier termination by Tenant as provided herein. The phrase "Term of this Lease" or "the Term hereof" as used in this Lease, or words of similar import, shall refer to the initial Term of this Lease together with any additional Extension Term for which an option has been validly exercised.
- (f) Option to Renew: N/A
- (g) Projected Commencement Date: March 15, 2006
- (h) Commencement Date: _____
- (i) Irrevocable Offer Expiration Date: April 15, 2006
- (j) Basic Rent: \$20,092.15 per month (which is based upon a rental rate of \$0.65 per square foot (adjustable only as provided in Section 2(b) hereof.)
- (k) Early Termination Notice Date: March 14, 2009
- (l) Square Feet in the Premises: 30,911
- (m) Use: General warehouse document storage use or for any other lawful purposes not incompatible with other uses in the Building.
- (n) Initial Departmental Use: Public Defender
- (o) Parking Spaces: Thirty-one (31)

(p) Normal Working Hours: 7:00 a.m. to 7:00 p.m., Monday through Friday and 9:00 a.m. to 2:00 p.m. Saturday, except New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day (on the days such holidays are generally observed) and such other holidays as are generally recognized by the County of Los Angeles, California.

(q) Asbestos Report: N/A

1.2 Exhibits to Lease:
Exhibit A - Floor Plan of Premises
Exhibit B- Legal Description of Property
Exhibit C - Commencement Date
Memorandum and Confirmation of Lease
Terms
Exhibit D - Cleaning and Maintenance
Schedule
Exhibit E - Tenant Estoppel Certificate
Exhibit F- Subordination, Non-disturbance
and Attornment Agreement
Exhibit G - Community Business Enterprises
Form
Exhibit H - Memorandum of Lease
Exhibit I - Request for Notice

2. PREMISES

(a) Landlord does hereby lease to Tenant, and Tenant does hereby lease from Landlord, upon the terms and conditions herein set forth, the Premises described in Section 1 and Exhibit A attached hereto.

(b) Tenant shall have the right within ninety (90) days of approval of this Lease by the Board of Supervisors of the County of Los Angeles ("Board of Supervisors") to field-measure and verify the exact footage of the Premises and/or the Building. All measurements shall be taken in accordance with the methods of measuring rentable/usable area as described in the Standard Method for Measuring Floor Area in Office Buildings, ANSI Z65.1-1996, as promulgated by the Building Owners and Management Association ("BOMA") International except that no penthouse mechanical room space shall be included in the measurement. Should this measurement be less than the square footage stated above, Tenant shall have the right to adjust such square footage and reduce the Basic Rent in Section 1 accomplished by the mutual execution of a memorandum of understanding between the Landlord and the Tenant. Landlord acknowledges the space has been marketed at the above-indicated rental amount and in the event of subsequent physical measurements, Landlord agrees there will be no adjustment made to either the square footage or the Basic Rent in the event the measured square footage exceeds the amount represented by Landlord. Should Landlord and Tenant not agree with respect to the results of the measurement conducted pursuant to this subsection (b) Landlord shall appoint an independent firm or person who is experienced in making such measurements whose determination with respect which measurement is correct shall be final and binding upon the parties. Landlord and Tenant shall share equally in the fees of such firm.

3. COMMON AREAS. Tenant may use the following areas ("Common Areas") in common with Landlord and other tenants of the Building: the entrances, lobbies and other public areas of the Building, walkways, landscaped areas, driveways necessary for access to the Premises, parking areas and other common facilities designated by Landlord from time to time for common use of all tenants of the Building. Tenant shall comply with all reasonable, non-discriminatory rules and regulations regarding the use of the Common Areas established by Landlord.

4. COMMENCEMENT AND EXPIRATION DATES

(a) Term. The term of this Lease shall commence upon the Commencement Date and terminate on the Termination Date. Within thirty (30) days of determining the Commencement Date, Landlord and Tenant shall acknowledge in writing the Commencement Date by executing the Commencement Date Memorandum and Confirmation of Lease Terms attached as Exhibit C. The Commencement Date shall begin thirty (30) days after Tenant's Acceptance of the Premises or sixty (60) days after the execution of this Lease by the County, whichever is later.

The term "Tenant's Acceptance of the Premises" as used in this Lease shall mean the date upon which the Premises are Substantially Complete, Tenant has inspected the Premises and Tenant has accepted the Premises. The term "Substantially Complete" or "Substantial Completion" as used in this Lease shall mean compliance with all of the following: (1) the shell and core of the Building are complete and in compliance with all applicable laws and codes, and all of the building systems are operational to the extent necessary to service the Premises; (2) Landlord has sufficiently completed all the work required to be performed by Landlord in accordance with this Lease, including the installation of modular furniture systems, if so required (except minor punch list items which Landlord shall thereafter promptly complete), such that Tenant can conduct normal business operations from the Premises; (3) Landlord has obtained a certificate of occupancy for the Building, or a temporary certificate of occupancy for that portion of the Building that includes all of the Premises, or its equivalent; (4) Tenant has been provided with the number of parking privileges and spaces to which it is entitled under this Lease; and (5) if Landlord is responsible for the installation of telecommunication systems, then such systems shall be completely operational.

(b) Termination Right. If the Commencement Date has not occurred within sixty (60) days from the Projected Commencement Date, subject to Tenant Delays or Force Majeure Delays as provided in Landlord's Work Letter, which has been executed concurrently herewith, Tenant may thereafter, at any time before the Commencement Date occurs, terminate this Lease effective upon the giving of written notice to Landlord and the parties shall have no further obligations to one another hereunder.

(c) Early Possession. Tenant shall be entitled to possession of the Premises not less than thirty (30) days prior to the Commencement Date for the purpose of installing Tenant's furniture, fixtures and equipment in the Premises. Such early occupancy shall be subject to all provisions hereof but shall not advance the Termination Date, and Tenant shall not pay Basic Rent for such early occupancy period.

(d) Early Termination. Tenant shall have the right to terminate this Lease at any time after the Early Termination Notice Date, as defined in Section 1, by giving Landlord not less than one hundred twenty (120) days prior written notice executed by the Chief Administrative Officer of Tenant.

5. RENT. Tenant shall pay Landlord the Basic Rent stated in Section 1 during the Term hereof within fifteen (15) days after a claim therefor for each such month has been filed by Landlord with the Auditor of the County of Los Angeles (the "County") prior to the first day of each month. Basic Rent for any partial month shall be prorated in proportion to the number of days in such month.

(a) RENT ADJUSTMENT. After the 12th month of the Lease Term (the "Adjustment Date") and on every anniversary of the Adjustment Date thereafter, Basic Rent shall be adjusted by applying the CPI Formula set forth below. The "Basic Index" shall be the Index published for the month the Lease commences.

(b) CPI Formula. The Index means the Consumer Price Index for all Urban Consumers for the Los Angeles-Riverside-Orange County, CA area, all items published by the United States Department of Labor, Bureau of Labor Statistics (1982-84=100). The "CPI Formula" means Basic Rent multiplied by a fraction, the numerator being the Index published for the month immediately preceding the month the adjustment is to be effective, and the denominator being the Index published for the month the Lease commenced. If the Index is changed so that the Index differs from that used as of the Commencement Date of the Lease, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics.

If the Index is discontinued or revised during the Term of this Lease, such other governmental Index or computation with which it is replaced shall be used in order to obtain substantially the same results as would be obtained if the Index had not been discontinued or revised.

(c) Illustration of Formula. The formula for determining the new rent shall be as follows:

$$\frac{\text{New Index}}{[\text{Base Index}]} \times \$20,092.15 \text{ (Basic Rent)}$$

= New Monthly Basic Rent

(d) Limitations on CPI Adjustment. In no event shall the monthly Basic Rent adjustment based upon the CPI Formula result in an annual increase less than two percent (2%) per year nor more than four percent (4%) per year of the Base Rent of \$20,092.15 (i.e. not less than \$401.84 nor more than \$803.69 per month, per annual adjustment). In no event shall the monthly rent be adjusted by the CPI Formula to result in a lower monthly Base Rent than was payable during the previous year of the Lease.

6. USES. The Premises are to be used only for the uses set forth in Section 1 and for no other business or purpose; however, Landlord shall not unreasonably withhold its consent to a change of use.

7. HOLDOVER. If Tenant remains in possession of the Premises or any part thereof after the expiration of the Term of this Lease, such occupancy shall be a tenancy which is terminable only upon ninety (90) days written notice from Landlord or ninety (90) days written notice from the Chief Administrative Officer of Tenant at the last monthly Basic Rent payable under this Lease (as such Basic Rent may be adjusted from time to time in accordance with this Lease) plus all other charges payable under this Lease, and subject to all of the terms, covenants and conditions of this Lease.

8. COMPLIANCE WITH LAW. Tenant shall, at Tenant's expense, comply promptly with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect during the term hereof, regulating the use, occupancy or improvement of the Premises by Tenant. Landlord, not Tenant, shall, at its sole cost, at all times cause the Premises and the Building to comply with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect and binding upon Tenant or Landlord during the term hereof, including without limitation, the Americans with Disabilities Act, except to the extent such compliance is made necessary as a result of Tenant's particular use of or alterations or improvements to the Premises.

9. DAMAGE OR DESTRUCTION.

(a) Damage. In the event any portion of the Premises is damaged by fire or any other cause rendering the Premises totally or partially inaccessible or unusable and the Premises may be restored to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty in less than one hundred eighty (180) days, then Landlord shall promptly, at Landlord's expense, repair such damage and this Lease shall continue in full force and effect. If all or any portion of the Premises shall be made untenantable by fire or other casualty, Landlord shall immediately secure the area to prevent injury to persons and/or vandalism to the improvements. Landlord shall promptly, but in any event within ten (10) days, cause an architect or general contractor selected by Landlord to provide Landlord and Tenant with a written estimate of the amount of time required to substantially complete the repair and restoration of the Premises and make the Premises tenantable again using standard working methods. The failure to do so shall be a material Default hereunder. Basic Rent shall abate to the extent that the Premises are unusable by Tenant. Tenant waives the provisions of California Civil Code Sections 1932(2) and 1933(4) with respect to any partial or total destruction of the Premises.

(b) Tenant Termination Right. In the event any portion of the Premises is damaged by fire or any other cause rendering the Premises totally or partially inaccessible or unusable and the Premises will not be restored to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty in less than one hundred eighty (180) days for any reason, then Tenant may terminate this Lease by giving written notice within ten (10) days after notice from Landlord specifying such time period of repair; and this Lease shall terminate and the Basic Rent shall be abated from the date the Premises became untenantable. In the event that Tenant does not elect to terminate this Lease, Landlord shall promptly commence and diligently prosecute to completion the repairs to the Building or Premises, provided insurance proceeds are available to repair the damages.

(c) Damage In Last Year. Notwithstanding the foregoing provisions, if any material destruction to the Premises occurs during the last year of the Term, either Landlord or Tenant may terminate this Lease by giving notice to the other not more than thirty (30) days after such destruction, in which case (a) Landlord shall have no obligation to restore the Premises, (b) Landlord may retain all insurance proceeds relating to such destruction, and (c) this Lease shall terminate as of the date which is thirty (30) days after such written notice of termination..

(d) Default By Landlord. If Landlord is required to repair and restore the Premises as provided for in this Section and Landlord should fail to thereafter pursue said repair and restoration work with reasonable diligence to completion, Tenant may (a) declare a default hereunder or (b) perform or cause to be performed the restoration work and deduct the cost thereof plus interest thereon at ten percent (10%) per annum, from the Basic Rent next due as a charge against the Landlord.

10. REPAIRS AND MAINTENANCE.

(a) Landlord Representations. Landlord represents to Tenant that (i) the Premises, the Building and all Common Areas (including electrical, heating, ventilating and air conditioning ("HVAC"), mechanical, plumbing, gas and fire/life safety systems in the Building and similar building service systems) comply with all current laws, codes, and ordinances, including the Americans With Disabilities Act; and are in reasonable good working order and condition; (ii) the Building and Premises comply with all covenants, conditions, restrictions and underwriter's requirements; and (iii) the Premises, Building and Common Areas are free of the presence of any Hazardous Materials (as hereinafter defined) and (iv) Landlord has not received any notice from any governmental agency that the Building or the Premises are in violation of any law or regulation. Landlord represents, based upon a professional inspection of the Premises and the Building and the Asbestos Report that the Premises and the Building contain no asbestos containing materials (other than as may be reflected in the Asbestos Report). Landlord shall, prior to Tenant's occupancy, abate, at Landlord's sole cost and expense, all asbestos containing materials to the extent required by law and provide Tenant with an updated report from a licensed California Asbestos contractor to that effect.

(b) Landlord Obligations. Landlord shall keep and maintain in good repair and working order and promptly make repairs to and perform maintenance upon and replace as needed: (i) the structural elements of the Building, including without limitation, all permanent exterior and interior walls, floors and ceilings, roof, concealed plumbing, stairways, concealed electrical systems and telephone intrabuilding network cable (ii) mechanical (including HVAC), electrical, plumbing and fire/life safety systems serving the Building (iii) the Common Areas; (iv) exterior windows of the Building; and (v) elevators serving the Building. Landlord, at its sole cost and expense, shall also perform all maintenance and repairs to the Premises, and shall keep the Premises in good condition and repair, reasonable wear and tear excepted.

Landlord's repair obligations include, without limitation, repairs to: (1) the floor covering (if such floor covering is carpeting it shall be replaced as needed but not less often than after five (5) years of use); (2) interior partitions; (3) doors; (4) the interior side of demising walls (which shall be repainted as needed but not less often than every five (5) years and (5) signage. Without limiting the foregoing, Tenant shall, at Tenant's sole expense, be responsible for the cost of repairing any area damaged by Tenant or Tenant's agents, employees, invitees and visitors and the repair of low voltage electronic, phone and data cabling and related equipment that is installed by or for the exclusive benefit of Tenant. All repairs and replacements shall: (a) be made and performed by contractors or mechanics approved by Tenant, which consent shall not be unreasonably withheld or delayed, (b) be at least equal in quality, value and utility to the original work or installation, (c) be in accordance with all laws.

(c) Tenant's Right to Repair. If Tenant provides written notice (or oral notice in the event of an emergency such as damage or destruction to or of any portion of the Building structure and/or the Building systems and/or anything that could cause material disruption to Tenant's business) to Landlord of an event or circumstance which requires the action of Landlord with respect to repair and/or maintenance, and Landlord fails to provide such action within a reasonable period of time, given the circumstances, after the giving of such notice, but in any event not later than five (5) days after the giving of such notice, then Tenant may proceed to take the required action (provided, however, that no such notice shall be required in the event of an emergency which threatens life or where there is imminent danger to property or a possibility that a failure to take immediate action could cause a material disruption in Tenant's normal and customary business activities). Tenant shall have access to the Building to the extent necessary to perform the work contemplated by this provision. If such action was required under the terms of this Lease to have been taken by Landlord and was not taken by Landlord within such period (unless such notice was not required as provided above), and Tenant took such required action, then Tenant shall be entitled to prompt reimbursement by Landlord of Tenant's reasonable costs and expenses in having taken such action plus interest thereon at ten percent (10%) per annum. If not reimbursed by Landlord within thirty (30) days, Tenant shall be entitled to deduct from Basic Rent payable by Tenant under this Lease the amount set forth in its invoice for such work. The remedies provided in this Section are in addition to the remedies provided in Section 14.

11. SERVICES AND UTILITIES.

Landlord shall furnish the following services to the Premises:

(a) HVAC. Landlord shall furnish heating, ventilation and air conditioning ("HVAC"), during Normal Working Hours in amounts required for the use and occupancy of the Premises for normal office purposes to a standard comparable to other first-class buildings.

(b) Electricity. Landlord shall furnish to the Premises not less than seven (7) watts of electric current (connected load) per square foot of Square Feet in the Premises, for power and lighting and electric current for HVAC, and Landlord shall provide the existing or new transformers or subpanels of the Premises necessary for Tenant to utilize such capacity in the Premises.

(c) Elevators. N/A

(d) Water. Landlord shall make available water for normal lavatory and potable water meeting all applicable governmental standards for drinking purposes in the Premises.

(e) Janitorial. Landlord shall provide janitorial service only for the office space on five (5) nights per week generally consistent with that furnished in comparable office buildings in the County of Los Angeles, but not less than the services set forth in the specifications set forth in Exhibit D attached hereto.

(f) Access. Landlord shall furnish to Tenant's employees and agents access to the Building, Premises and Common Areas on a seven (7) day per week, twenty-four (24) hour per day basis, subject to compliance with such reasonable security measures as shall from time to time be in effect for the Building.

12. LANDLORD ACCESS. Tenant shall permit Landlord and its agents to enter the Premises upon prior written notice for the purpose of inspecting the Premises for any reasonable purpose. If Landlord temporarily closes any portion of the Building or Premises, Basic Rent shall be prorated based upon the percentage of the Premises or Building rendered untenable and not used by Tenant. Landlord shall have the right at any and all times to enter the Premises in the event of an emergency.

13. TENANT DEFAULT.

(a) Default. The occurrence of any one or more of the following events (a "Default") shall constitute a material default and breach of this Lease by Tenant:

(i) the failure by Tenant to make any payment of Basic Rent or any other payment required to be made by Tenant hereunder (except to the extent an offset is expressly permitted hereunder), as and when due and if the failure continues for a period of ten (10) days after written notice to Tenant;

(ii) the failure by Tenant to observe or perform any of the other covenants, conditions or provisions of this Lease, where such failure shall continue for a period of thirty (30) days after written notice from Landlord specifying in detail the nature of the default; provided, however, if more than thirty (30) days are reasonably required for its cure then Tenant shall not be deemed to be in default if Tenant commences such cure within said 30-day period and thereafter diligently prosecutes such cure to completion.

(b) Termination. Tenant agrees that if a Default should occur and should not be cured within the time periods set forth above, it shall be lawful for Landlord to terminate this Lease upon the giving of written notice to Tenant. In addition thereto, Landlord shall have such other rights or remedies as may be provided by law.

(c) No Effect on Indemnity. Nothing in this Article shall be deemed to affect either Landlord or Tenant's right to indemnification under any indemnification clause or clauses set forth in this Lease.

14. LANDLORD DEFAULT.

(a) Remedies. In addition to the provisions for Landlord's default provided by Sections 9(d), 10(c) 19 and 20(b), Landlord shall be in default in the performance of any obligation required to be performed by Landlord under this Lease if Landlord has failed to perform such obligation within five (5) days after the giving of written notice with respect thereto by Tenant (which notice shall be, if appropriate, the same notice given under Section 10(c)) ; provided, however, that if the nature of such default is such that the same cannot reasonably be cured within such five (5) day period, Landlord shall not be deemed to be in default if Landlord shall within such period commence such cure and thereafter diligently prosecute the same to completion. If the default by Landlord ("Landlord Default") is of such a nature that it materially and substantially interferes with Tenant's occupancy and use of the Premises and if such Landlord Default is not cured within the foregoing cure period, then Tenant shall have the right, at its option, with or without further notice or demand of any kind to Landlord or any other person, to any one or more of the following described remedies in addition to all other rights and remedies provided at law or in equity or elsewhere herein: (i) to remedy such default or breach and deduct the costs thereof (including but not limited to attorneys' fees) plus interest at the rate of ten (10%) per annum from the installments of Basic Rent next falling due; (ii) to pursue the remedy of specific performance; (iii) to seek money damages for loss arising from Landlord's failure to discharge its obligations under this Lease or offset such damages against Basic Rent next coming due; or (iv) to terminate this Lease.

(b) Waiver. Nothing herein contained shall relieve Landlord from its duty to effect the repair, replacement, correction or maintenance required to restore any affected services, or to perform any other obligations to the standard prescribed in this Lease, nor shall this Section be construed to obligate Tenant to undertake any such work.

(c) Emergency. Notwithstanding the foregoing cure period, Tenant may cure any default without notice where the failure promptly to cure such default would, in the reasonable opinion of Tenant, create or allow to persist an emergency condition or materially and adversely affect the operation of Tenant's business in the Premises.

15. ASSIGNMENT AND SUBLETTING. Tenant may assign, mortgage, encumber or otherwise transfer this Lease or sublet the whole or any part of the Premises without first obtaining Landlord's prior consent: provided, however, no such assignment, subletting or other transfer shall relieve Tenant of any liability under this Lease unless Landlord has given its written consent thereto, which Landlord shall not unreasonably withhold if the assignee has a financial condition which is reasonably sufficient for it to be responsible for all future obligations under this Lease.

16. ALTERATIONS AND ADDITIONS.

(a) Landlord Consent. Tenant shall not make any structural alterations, improvements, additions, or utility installations in or about the Premises (collectively, "Alterations") without first obtaining the written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. However, Landlord's consent shall not be required for any Alteration that satisfies all of the following criteria: (1) complies with all Laws; (2) is not visible from the exterior of the Premises or Building; (3) will not materially affect the systems or structure of the Building; and (4) does not unreasonably interfere with the normal and customary business office operations of other tenants in the Building. If Landlord fails to respond in writing within thirty (30) days of such request, Landlord shall be deemed to approve the Alterations.

(b) End of Term. Any Alterations not removed by Tenant shall become the property of Landlord and remain upon and be surrendered with the Premises at the expiration of the Term.

17. CONDEMNATION.

(a) Controlling Terms. If during the Term, or during the period of time between the execution of this Lease and the Commencement Date, there is any taking of all or any part of the Premises or any interest in this Lease by Condemnation (as defined below), this Section shall determine the rights and obligations of Tenant and Landlord. "Condemnation" shall mean the exercise of any governmental power to take title to any portion of the Premises, whether by legal proceedings or otherwise, by a Condemnor (as defined below) or a voluntary sale or transfer by Landlord to any Condemnor, either under threat of a Condemnor's exercise of such power or while legal proceedings are pending for the exercise of such power. "Condemnor" shall mean any public or quasi-public authority, or private corporation or individual, having the power of Condemnation.

(b) Total Taking. If the Premises are totally taken by Condemnation, this Lease shall terminate on the date the Condemnor has a right to possession of the Premises (the "Date of Taking").

(c) Partial Taking. If any portion, but not all, of the Premises is taken by Condemnation, this Lease shall remain in effect, except that Tenant may elect to terminate this Lease if, in Tenant's reasonable judgment, the remaining portion of the Premises (including the space available for parking) is rendered unsuitable for Tenant's continued use of the Premises. If Tenant elects to so terminate this Lease, Tenant must exercise its right to terminate by giving notice to Landlord within thirty (30) days after the date that the nature and the extent of the Condemnation have been determined (the "Determination Date"), which notice shall set forth the date of termination. Such termination date shall not be earlier than thirty (30) days nor later than ninety (90) days after Tenant has notified Landlord of its election to terminate; except that this Lease shall terminate on the Date of Taking if the Date of Taking falls on a date before the date of termination as designated by Tenant. If Tenant does not so notify Landlord within thirty (30) days after the Determination Date, all obligations of Tenant under this Lease shall remain in effect, except that Basic Rent shall be equitably abated.

(d) Restoration. Notwithstanding the preceding paragraph, if, within thirty (30) days after the Determination Date, Landlord notifies Tenant that Landlord at its cost will add to the remaining Premises so that the area of the Premises and the space available for parking, will be substantially the same after the Date of Taking as they were before the Date of Taking, and Landlord commences the restoration promptly and, subject to reasonable allowance for delays that are not caused by Landlord, completes it within ninety (90) days after Landlord so notifies Tenant, this Lease shall continue in effect. All obligations of Tenant under this Lease shall remain in effect, except that Basic Rent shall be equitably abated or reduced during the period from the Date of Taking until the completion of such restoration.

(e) Award. The Award (as defined below) shall be divided between Landlord and Tenant as their respective interests may appear. "Award" shall mean all compensation, sums or anything of value awarded, paid or received on a total or partial Condemnation of the Premises.

(f) Waiver of Statute. Landlord and Tenant hereby waive the provision of California Code of Civil Procedure Section 1265.130 allowing Landlord or Tenant to petition the superior court to terminate this Lease in the event of a partial taking of the Premises.

18. INDEMNIFICATION.

(a) Tenant's Indemnity. Tenant shall indemnify, defend and hold Landlord harmless from and against all loss, cost and expense, including attorneys' fees, arising from any injury or damage to any person or property, occurring in or about the Building or Premises as a result of any negligent act or omission or willful misconduct of Tenant or its employees or arising from any breach or default under this Lease by Tenant. The foregoing provisions shall not be construed to make Tenant responsible for loss, damage, liability or expense resulting from injuries to third parties caused by the negligence or willful misconduct of Landlord, or its officers, contractors, licensees, agents, employees or invitees.

(b) Landlord's Indemnity. Landlord shall indemnify, defend and hold Tenant harmless from and against all loss, cost and expense, including attorneys' fees, arising from any injury or damage to any person or property, occurring in or about the Building or Premises as a result of any negligent act, omission or willful misconduct of Landlord, or its officers, contractors, licensees, agents, employees, guests, or visitors or arising from any breach or default under this Lease by Landlord. The foregoing provisions shall not be construed to make Landlord responsible for loss, damage, liability or expense resulting from injuries to third parties caused by the negligence or willful misconduct of Tenant, or its officers, contractors, licensees, agents, employees or invitees.

19. INSURANCE.

(a) Landlord's Insurance. During the term of this Lease, Landlord shall maintain the following insurance:

(i) Commercial property insurance which shall (1) cover damage to Landlord's property, including improvements and betterments, from perils covered by the causes-of-loss special form (ISO form CP 10 30), and include ordinance or law coverage (and coverage against acts of terrorism to the extent such coverage is reasonably available and priced at commercially reasonable rates) and (2) be written for full replacement cost of the property, with a deductible of no greater than 5% of the property value. Insurance proceeds shall be payable to Landlord and be utilized for repair and restoration of the Premises.

(ii) General liability insurance (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following: (1) per occurrence and general aggregate amount of \$5,000,000; (2) products/completed operations aggregate of \$2,000,000 and (3) personal and advertising injury of \$1,000,000.

(iii) Failure by Landlord to maintain the insurance required by this Section and deliver evidence thereof as required by this Lease or to use any insurance proceeds to timely repair and restore the Premises shall constitute a material breach of this Lease.

(b) Insurance Requirements. All insurance policies required to be maintained by Landlord under this Lease shall be issued by insurance companies which have a Best's Rating of "AVII" or better and which are qualified to do business in the State of California. All liability and property damage and other casualty policies of Tenant shall be written as primary policies, not contributing with, and not in excess of coverage which Landlord may carry.

(c) Certificates. Landlord shall deliver to Tenant on the Commencement Date of this Lease and thereafter at least fifteen (15) days prior to expiration of any insurance required to be carried hereunder, certificates of insurance evidencing this coverage with limits not less than those specified above. Certificates must document that each party has named the other as an additional insured (or its equivalent) on its general liability and property insurance policy, and that Tenant has been named a loss payee on Landlord's commercial property insurance policy, as required. Further, all certificates shall expressly provide that no less than thirty (30) days' prior written notice shall be given to Tenant in the event of material change to, expiration or cancellation of the coverages or policies evidenced by the certificates.

(d) Waiver of Subrogation. Landlord and Tenant each hereby waive their rights of subrogation against one another to the extent it is covered by the property insurance policies required to be carried hereunder. Landlord shall cause its insurance carriers to consent to the foregoing waiver of rights of subrogation against Tenant.

20. PARKING.

(a) Tenant's Rights. Tenant shall have the right to the number of exclusive reserved parking stalls set forth in Section 1 without charge for the Term of this Lease. No tandem parking shall be permitted and Tenant shall be entitled to full in/out privileges. Tenant's parking rights shall be subject to reasonable parking rules and regulations adopted by Landlord from time to time, provided that such procedures shall be uniformly applied to all tenants. Tenant acknowledges that all other parking spaces are not for the exclusive use of Tenant, rather, all such parking spaces are to be used on a non-exclusive, first-come, first-served basis by Tenant and other tenants, occupants, licensees, invitees and permittees of the Building.

(b) Remedies. Landlord acknowledges that it is a material term of this Lease that Tenant receives all of the Parking Spaces to which it is entitled under this Lease for the entire Term of this Lease and that it would be impracticable and extremely difficult to fix the actual damages for a breach of such provisions. It is therefore agreed that if, for any reason whatsoever, a material number of the Parking Spaces required above are not available to Tenant, (in addition to the rights given to Tenant under Section 14 and Sections 9 and 17 in the event of casualty or condemnation) Tenant may (a) terminate this Lease by giving written notice of such termination to Landlord, which notice shall be effective thirty (30) days thereafter or (b) deduct from the Basic Rent thereafter accruing hereunder an amount each month equal to the Basic Rent times the percentage of Parking Spaces not so provided times 1.5 but such deduction from Basic Rent shall be not less than ten percent (10%) nor more than one hundred percent (100%).

21. ENVIRONMENTAL MATTERS

(a) Hazardous Materials. Tenant shall not cause nor permit, nor allow any of Tenant's employees, agents, customers, visitors, invitees, licensees, contractors, assignees or subtenants to cause or permit, any Hazardous Materials to be brought upon, stored, manufactured, generated, blended, handled, recycled, treated, disposed or used on, under or about the Premises, the Building or the Common Areas, except for routine office and janitorial supplies in usual and customary quantities stored, used and disposed of in accordance with all applicable Environmental Laws. As used herein, "Hazardous Materials" means any chemical, substance, material, controlled substance, object, condition, waste, living organism or combination thereof, whether solid, semi solid, liquid or gaseous, which is or may be hazardous to human health or safety or to the environment due to its radioactivity, ignitability, corrosivity, reactivity, explosivity, toxicity, carcinogenicity, mutagenicity, phytotoxicity, infectiousness or other harmful or potentially harmful properties or effects, including, without limitation, molds, toxic levels of bacteria, tobacco smoke within the Premises, petroleum and petroleum products, asbestos, radon, polychlorinated biphenyls (PCBs), refrigerants (including those substances defined in the Environmental Protection Agency's "Refrigerant Recycling Rule," as amended from time to time) and all of those chemicals, substances, materials, controlled substances, objects, conditions, wastes, living organisms or combinations thereof which are now or become in the future listed, defined or regulated in any manner by any Environmental Law based upon, directly or indirectly, such properties or effects. As used herein, "Environmental Laws" means any and all federal, state or local environmental, health and/or safety-related laws, regulations, standards, decisions of courts, ordinances, rules, codes, orders, decrees, directives, guidelines, permits or permit conditions, currently existing and as amended, enacted, issued or adopted in the future which are or become applicable to Tenant, the Premises, the Building or the Common Areas.

(b) Landlord Indemnity. Landlord shall indemnify, protect, defend (by counsel acceptable to Tenant) and hold harmless Tenant from and against any and all claims, judgments, causes of action, damage, penalties, fine, taxes, costs, liabilities, losses and expenses arising at any time during or after the Term as a result (directly or indirectly) of or in connection with the presence of Hazardous Materials on, under or about the Premises, Building or Common Areas or other violation of laws relating to Hazardous Materials other than caused by Tenant. This indemnity shall include, without limitation, the cost of any required or necessary repair, cleanup or detoxification, and the preparation and implementation of any closure, monitoring or other required plans, as such action is required by local or state laws or any governmental agency. Landlord shall promptly deliver to Tenant a copy of any notice received from any governmental agency during the Term of this Lease concerning the presence of Hazardous Materials in the Building or the Premises. Landlord's obligations pursuant to the foregoing indemnity shall survive the expiration or termination of this Lease. A default by Landlord under this Section shall constitute a material default under this Lease.

22. ESTOPPEL CERTIFICATES. Tenant shall, within thirty (30) days after written request of Landlord, execute, acknowledge and deliver to Landlord or its designee a written statement in the form of Exhibit E – Tenant Estoppel Certificate delivered to Landlord concurrently herewith but shall have no other obligation to deliver any other form of estoppel certificate. It is intended that any such statement delivered pursuant to this Section may be relied upon by a prospective purchaser of Landlord's interest or holder of any mortgage upon Landlord's interest in the Premises.

23. TENANT IMPROVEMENTS. Prior to the Commencement Date, Landlord shall perform at its sole cost and expense, the following:

- i) Paint and install carpet as well as vinyl tile within the office space of the Premises and install a ramp for access to the warehouse based on Tenant's specifications at a cost not to exceed \$25,000.
- ii) Repair and seal the roof and skylights.
- iii) Provide Tenant with a roof certification from a reputable roofing vendor acceptable to Tenant, stipulating that the roof and skylights are in good condition to prevent water intrusion.

24. LIENS. Tenant shall keep its interest in this Lease and the Premises free from any liens arising out of any work performed or materials ordered or obligations incurred by Tenant. Landlord shall keep its interest in this Lease and the Premises free from any liens which would impair the interest of Tenant hereunder and hereby indemnifies and holds Tenant harmless from any liability or loss from any such lien.

25. SUBORDINATION AND MORTGAGES

(a) Subordination and Non-Disturbance. Tenant agrees, at Landlord's option, to subordinate this Lease to the lien of any mortgages or deeds of trust now or hereafter in force against the Building; provided, however, Tenant's obligation to subordinate this Lease is expressly conditioned upon Tenant receiving a written agreement in the form of Exhibit "F" delivered to Landlord concurrently herewith and provided further that no such subordination shall affect any option to extend the Term of this Lease, right of first offer to lease additional premises, option to purchase or right of first offer to purchase the Property which may be included herein.

(b) Existing Deeds of Trust. The beneficiary under any existing deed of trust affecting the Building shall provide a written agreement to Tenant in the form of Exhibit "F" delivered to Landlord concurrently herewith within thirty (30) days after the execution of this Lease.

(c) Request for Notice. Landlord acknowledges that Tenant intends to record a Request for Notice with respect to any mortgages or deeds of trust affecting the Property in the form of Exhibit "I" delivered to Landlord concurrently herewith.

(d) Notice of Default. If any mortgagee or beneficiary under a deed of trust affecting the Property gives written notice of its name and address to Tenant by registered mail requesting any such notice with reference to this Section, Tenant agrees to use its best efforts (but without liability for failure to do so) to give such mortgagee a copy of any notice of Default served upon Landlord hereunder which could permit Tenant to terminate this Lease and an additional ten (10) days within which to cure such Default.

26. SURRENDER OF POSSESSION. Subject to casualty, at the expiration of the Term of this Lease, whether by lapse of time or otherwise, Tenant shall promptly and peacefully surrender the Premises to Landlord in a "broom-clean" condition. Tenant may (but shall not be required to) remove, at its own expense, all fixtures, equipment and all other personal property placed or installed in or upon the Premises by Tenant, or under its authority (including any modular furniture).

27. SIGNAGE. Tenant shall be permitted to install at the Premises reasonably appropriate signs that conform with any and all applicable laws and ordinances.

28. QUIET ENJOYMENT. So long as Tenant is not in default hereunder, Tenant shall have the right to the quiet and peaceful enjoyment and possession of the Premises and the Common Areas during the Term of this Lease, subject to the terms and conditions of this Lease.

29. GENERAL

(a) Headings. Titles to Sections of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part hereof.

(b) Successors and Assigns. All of the covenants, agreements, terms and conditions contained in this Lease shall inure to and be binding upon the Landlord and Tenant and their respective successors and assigns.

(c) Brokers. Landlord and Tenant each represent and warrant to each other that it has not engaged any broker, finder or other person who would be entitled to any commission or fees in respect of the negotiation, execution or delivery of this Lease other than as disclosed to the other in writing and shall indemnify and hold harmless each other against any loss, cost, liability or expense incurred by the other party as a result of any claim asserted by any such broker, finder or other person on the basis of any arrangements or agreements made or alleged to have been made in variance with this representation. Tenant shall receive from Landlord or Landlord's broker, within ten (10) days after the execution of this Lease, an amount equal to 50% of all commissions due to Landlord's broker as a result of the execution of this Lease.

(d) Entire Agreement. This Lease is the final and complete expression of Landlord and Tenant relating in any manner to the leasing, use and occupancy of the Premises, to Tenant's use of the Building and other matters set forth in this Lease. No prior agreements or understanding pertaining to the same shall be valid or of any force or effect and the covenants and agreements of this Lease shall not be altered, modified or added to except in writing signed by both Landlord and Tenant.

(e) Severability. Any provision of this Lease which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof and the remaining provisions hereof shall nevertheless remain in full force and effect.

(f) Notices. All notices and communications to any party hereunder shall be in writing and shall be deemed properly given if delivered personally, sent by registered or certified mail, postage prepaid, or by a recognized overnight commercial messenger providing proof of delivery, facsimile (electronically confirmed) to Landlord's Address for Notice and Tenant's Address for Notice as set forth in Section 1. Any notice so given shall be deemed to have been given as of the date of delivery (whether accepted or refused) established by U.S. Post Office return receipt or the overnight carrier's proof of delivery, as the case may be. Any such notice not so given shall be deemed given upon receipt of the same by the party to whom the same is to be given.

(g) Governing Law and Forum. This Lease shall be governed by and construed in accordance with the internal laws of the State of California. Any litigation with respect to this Lease shall be conducted in the County of Los Angeles, State of California.

(h) Waivers. No waiver by Landlord or Tenant of any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent breach by Landlord or Tenant of the same or any other provision. Landlord's or Tenant's consent to or approval of any act shall not be deemed to render unnecessary the obtaining of Landlord's or Tenant's consent to or approval of any subsequent act by Landlord or Tenant.

(i) Time of Essence. Time is of the essence for the performance of all of the obligations specified hereunder.

(j) Consent. Whenever any consent is required by Landlord or Tenant hereunder, such consent shall not be unreasonably withheld, conditioned or delayed and, unless otherwise specifically provided herein, shall be deemed granted if not refused within ten (10) days after written request is made therefore, together with all necessary information.

(k) Community Business Enterprises Landlord shall complete and deliver to Tenant concurrently with the execution hereof a Community Business Enterprises form set forth as Exhibit "G" delivered to Landlord concurrently herewith.

(l) Memorandum of Lease If requested by Tenant, Landlord and Tenant shall execute and acknowledge a Memorandum of Lease in the form of Exhibit "H" delivered to Landlord concurrently herewith, which Memorandum may be recorded by Tenant in the Official Records of Los Angeles County.

30. AUTHORITY. Only the Board of Supervisors has the authority, by formally approving and/or executing this Lease, to bind the County to the terms included herein. Each individual executing this Lease on behalf of Tenant represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of Tenant, and that this Lease is binding upon Tenant in accordance with its terms. Landlord understands that no material terms of this Lease may be altered or deleted, nor may any new material terms be added to this Lease, without the express written approval of the Board of Supervisors, either through an amendment to the Lease or by other formal board action. No County officer, employee, agent or independent contractor has any authority to alter, add or delete the material terms of this Lease and Landlord may not rely upon any representations to the contrary. This limitation of authority applies to all material terms of the Lease including, without limitation, any monetary ceiling established for Tenant Improvements or other project costs of Landlord which are subject to reimbursement by County. County shall not reimburse Landlord for any expenses which exceed this ceiling. Notwithstanding the foregoing, the Chief Administrative Officer of the County or its delegee (the "Chief Administrative Officer") may take any administrative act on behalf of Tenant hereunder which does not have the effect of increasing Basic Rent or other financial obligations of Tenant under this Lease, including without limitation, granting any approvals, terminating this Lease in the manner provided herein by an Early Termination Notice or otherwise, signing estoppel certificates, signing the Commencement Date Memorandum and Confirmation of Lease Terms or subordinating this Lease. Each individual executing this Lease on behalf of Landlord represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of Landlord, and that this Lease is binding upon Landlord in accordance with its terms.

31. ACKNOWLEDGEMENT BY LANDLORD

Landlord acknowledges that it is aware of the following provisions:

(a) Consideration of GAIN Program Participants. Should Landlord require additional or replacement personnel after the effective date of this Lease, Landlord shall give consideration for any such employment, openings to participants in the County Department of Public Social Services' Greater Avenues for Independence ("GAIN") Program who meet Landlord's minimum qualifications for the open position. The County will refer GAIN participants by job category to Landlord.

(b) Solicitation of Consideration. It is improper for any County officer, employee or agent to solicit consideration in any form from a landlord with the implication, suggestion or statement that the landlord's provision of the consideration may secure more favorable treatment for the landlord in the award of the Lease or that landlord's failure to provide such consideration may negatively affect the County's consideration of the landlord's offer to lease. A landlord shall not offer or give, either directly or through an intermediary, consideration in any form to a County officer, employee or agent for the purpose of securing favorable treatment with respect to the award of the Lease.

Landlord shall immediately report any attempt by a County officer, employee or agent to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to the County Auditor-Controller's Employee Fraud Hotline at (213) 974-0914 or (800) 544-6861. Failure to report such solicitation may result in the landlord's submission being eliminated from consideration.

(c) Landlord Assignment.

(i) Landlord may assign, transfer, mortgage, hypothecate or encumber Landlord's right, title and interest in and to this Lease or any portion thereof (including the right to receive rental payments but excluding its duties and obligations hereunder), and Landlord may execute any and all instruments providing for the payment of Basic Rent directly to an assignee or transferee, but only if the conditions set forth in this Section are met.

(ii) Any document or agreement purporting to assign, transfer, mortgage, hypothecate or encumber Landlord's right, title and interest in and to this Lease or any portion thereof, is hereinafter referred to as a "Security Agreement." Any Security Agreement which is executed without full compliance with the requirements of this Section shall be void.

(iii) Each assignee or transferee under the Security Agreement shall certify and agree in writing that such assignee or transferee has read and is familiar with the requirements of Sections 5950-5955 of the California Government Code, which prohibits the offer or sale of any security constituting a fractional interest in this Lease or any portion thereof, without the prior written consent of the County.

(iv) Violation by Landlord of the provisions of Section 5951 of the California Government Code will constitute a material breach of this Lease, upon which the County may impose damages in an amount equal to the greater of (a) \$500,000 or (b) 10% of the aggregate principal portion of all rental payments payable by the County during the entire Term of this Lease, it being expressly agreed that the aforesaid amount shall be imposed as liquidated damages, and not as a forfeiture or penalty.

It is further specifically agreed that the aforesaid amount is presumed to be the amount of damages sustained by reason of any such violation, because from the circumstances and nature of the violation it would be impracticable and extremely difficult to fix actual damages. In addition, the County may exercise or pursue any other right or remedy it may have under this Lease or applicable law.

(v) Landlord shall give the County notice and a copy of each Security Agreement and any other instrument relating thereto (including, but not limited to, instruments providing for the payment of Basic Rent directly to an assignee or transferee) at least two weeks prior to the effective date thereof.

(vi) Landlord shall not furnish any information concerning County or the subject matter of this Lease (including, but not limited to, offering memoranda, financial statements, economic and demographic information, and legal opinions rendered by the office of counsel for the County) to any person or entity, except with County's prior written consent. Landlord shall indemnify, defend and hold County and its officers, agents and employees harmless from and against all claims and liability alleged to arise from the inaccuracy or incompleteness of any information furnished by Landlord in violation of this Section.

(vii) The provisions of this Section shall be binding upon and applicable to the parties hereto and their respective successors and assigns. Whenever in this Section Landlord is referred to, such reference shall be deemed to include Landlord's successors or assigns, and all covenants and agreements by or on behalf of Landlord herein shall bind and apply to Landlord's successors and assigns whether so expressed or not.

32. IRREVOCABLE OFFER. In consideration for the time and expense that Tenant will invest, including, but not limited to, preliminary space planning, legal review, and preparation and noticing for presentation to the Tenant Real Estate Management Commission of Los Angeles County in reliance on Landlord's agreement to lease the Premises to Tenant under the terms of this Lease, Landlord irrevocably offers to enter into this Lease and not to revoke this offer until the Irrevocable Offer Expiration Date, as defined in Section 1.

IN WITNESS WHEREOF this Lease has been executed the day and year first above set forth.

LANDLORD:

Colonnade Nobbs, LLC, a California limited liability company

By: _____

Name: _____

Its: _____

Jack Carnil
Principal, Dir of Asset Mgmt

TENANT:

COUNTY OF LOS ANGELES
a body politic and corporate

By: _____

Name: _____

Mayor, Board of Supervisors

ATTEST:

Joanne Sturges
Acting Executive Officer-Clerk
of the Board of Supervisors

By: _____

Deputy

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By: *Raymond G. Fortner, Jr.*
Deputy

9720-10012 Norwalk Blvd., Santa Fe Springs, CA

SITE PLAN & PREMISES FLOOR PLAN

[illegible]

EXHIBIT A - 2
SITE PLAN & PREMISES FLOOR PLAN

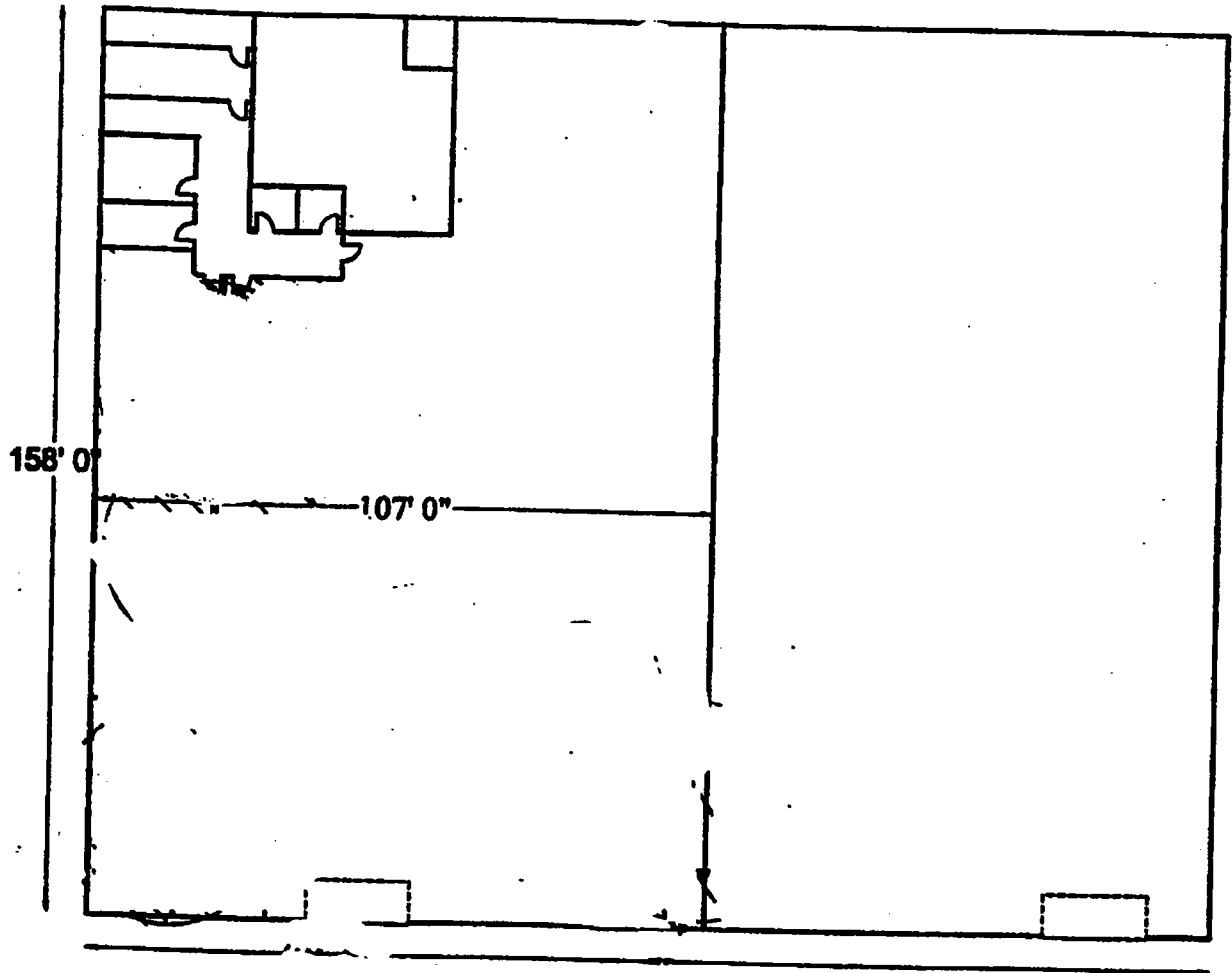


EXHIBIT B

LEGAL DESCRIPTION OF PROPERTY

**LEGAL DESCRIPTION
THE COLONNADE**

Lot A of Tract No. 2832, in the City of Santa Fe Springs, County of Los Angeles, State of California, as per Map recorded in Book 28, Page 100 of Maps, in the Office of the County Recorder of said County.

EXHIBIT C

COMMENCEMENT DATE MEMORANDUM
AND CONFIRMATION OF LEASE TERMS

Reference is made to that certain lease ("Lease") dated _____, 2006, between County of Los Angeles, a body politic and corporate ("Tenant"), and _____, a _____ ("Landlord"), whereby Landlord leased to Tenant and Tenant leased from Landlord certain premises in the building located at _____ ("Premises"),

Landlord and Tenant hereby acknowledge as follows:

- (1) Landlord delivered possession of the Premises to Tenant in a Substantially Complete condition on _____ ("Possession Date");
- (2) Tenant has accepted possession of the Premises and now occupies the same;
- (3) The Lease commenced on _____ ("Commencement Date");
- (4) The Premises contain _____ rentable square feet of space; and
- (5) Basic Rent Per Month is _____.

IN WITNESS WHEREOF, this Memorandum is executed this ____ day of _____, 200__.

"Tenant"

COUNTY OF LOS ANGELES,
a body politic and corporate

By: _____
Name: _____
Its: _____

"Landlord"

_____,
a _____

By: _____
Name: _____
Its: _____

EXHIBIT D

CLEANING AND MAINTENANCE SCHEDULE

1. DAILY (Monday through Friday)

- A. Carpets vacuumed.
- B. Composition floors dust-mopped.
- C. Desks, desk accessories and office furniture dusted. Papers and folders left on desk not to be moved.
- D. Waste baskets, other trash receptacles emptied.
- E. Chairs and waste baskets returned to proper position.
- F. Fingerprints removed from glass doors and partitions.
- G. Drinking fountains cleaned, sanitized and polished.
- H. Lavatories, toilets and toilet rooms cleaned and mopped. Toilet supplies replenished.
- I. Bulb and tube replacements, as required.
- J. Graffiti expunged as needed within two (2) working days after notice by Tenant.
- K. Floors washed as needed.
- L. Kitchen/Lunchroom supplies replenished including paper supplies and soap.

2. WEEKLY

- A. Low-reach areas, chair rungs, baseboards and insides of door jambs dusted.
- B. Window sills, ledges and wood paneling and molding dusted.

3. MONTHLY

- A. Floors washed and waxed in uncarpeted office area.
- B. High-reach areas, door frames and tops of partitions dusted.
- C. Upholstered furniture vacuumed, plastic and leather furniture wiped.
- D. Picture moldings and frames dusted.
- E. Wall vents and ceiling vents vacuumed.
- F. Carpet professionally spot cleaned as required to remove stains.
- G. HVAC chiller water checked for bacteria, water conditioned as necessary.

4. QUARTERLY

- A. Light fixtures cleaned and dusted, but not less frequently than Quarterly.
- B. Wood furniture polished. Warehouse dusted and swept.
- C. Draperies or mini-blinds cleaned as required, but not less frequently than Quarterly.
- D. HVAC units serviced for preventative maintenance purposes, all filters changed.

5. SEMI-ANNUALLY

A. Windows washed as required inside and outside but not less frequently than twice annually.

B. All painted wall and door surfaces washed and stains removed.

C. All walls treated with vinyl covering washed and stains removed.

6. ANNUALLY

A. Furniture Systems and any other fabric or upholstered surfaces including chairs, couches, walls, etc., spot cleaned, or if determined to be necessary in Tenant's sole discretion, professionally cleaned in their entirety using a water extraction system.

B. Bathroom and any other ceramic tile surfaces professionally cleaned using a hand scrub process. All grout and porous surfaces resealed with a professional grade sealant.

C. Touch-up paint all interior painted surfaces in a color and finish to match existing.

7. AS NEEDED

A. Premises and the sidewalks, driveways, parking areas and all means of access and egress for the Premises should be maintained in good repair, and in clean and safe condition at all times.

B. All lawns, shrubbery and foliage on the grounds of the Premises should be maintained in good condition and neat in appearance. Grass and shrubbery must be replanted as needed to maintain the grounds in good appearance and condition.

C. Carpets to be cleaned using a non-detergent, low moisture, soil encapsulation system as recommended by the carpet manufacturer. The following schedule will be maintained for carpet cleaning: (i) heavy traffic areas as needed with a minimum frequency of bi-monthly [six (6) times per year]; (ii) moderate traffic areas cleaned as needed with a minimum of once every six (6) months [two (2) times per year]; and (iii) clean light traffic areas a minimum of once per year. Landlord agrees that bonnet cleaning is not an acceptable method of cleaning carpets.

D. All walls repainted and wall coverings replaced throughout the Premises. The paint finish should be eggshell or semi-gloss as directed by Tenant and in a color acceptable to Tenant. In no event will Landlord be required to repaint or replace wall coverings more than one (1) time in a five (5) year period (the "Occurrence"). The initial tenant improvements completed prior to Tenant's occupancy or as a condition to the renewal of the Lease shall not constitute an Occurrence for the purpose of determining the frequency of this work.

8. GENERAL

Landlord shall, upon request of Tenant, produce written service contracts as evidence of compliance with the terms of this Cleaning and Maintenance Schedule.

EXHIBIT E

TENANT ESTOPPEL CERTIFICATE

To: [Insert name of party to rely on document]

Attn: _____

Re: Date of Certificate: _____
 Lease Dated: _____
 Current Landlord: _____
 Located at: _____
 Premises: _____
 Commencement Date of Term: _____
 Expiration Date: _____
 Current Rent: _____

County of Los Angeles ("Tenant") hereby certifies that as of the date hereof:

1. Tenant is the present owner and holder of the tenant's interest under the lease described above, as it may be amended to date (the "Lease"). The Lease covers the premises described above (the "Premises") in the building (the "Building") at the address set forth above.

2. (a) A true, correct and complete copy of the Lease (including all modifications, amendments, supplements, side letters, addenda and riders of and to it) is attached to this Certificate as Exhibit A.

 (b) The current Rent is set forth above.

 (c) The term of the Lease commenced on the Commencement Date set forth above and will expire on the Expiration Date set forth above, including any presently exercised option or renewal term. As specified in the Lease, Tenant has options or rights to renew, extend or cancel the Lease.

 (d) Tenant has no option or right to lease additional space in the Premises or Building.

 (e) Tenant has no option or preferential right to purchase all or any part of the Premises (or the land of which the Premises are a part).

 (f) Tenant has made no agreement with Landlord or any agent, representative or employee of Landlord concerning free rent, partial rent, rebate of rental payments or any other similar rent concession, except as expressly set forth in the Lease.

3. (a) The Lease constitutes the entire agreement between Tenant and Landlord with respect to the Premises, has not been modified, changed, altered or amended and is in full force and effect. There are no other agreements, written or oral, which affect Tenant's occupancy of the Premises.

(b) To the knowledge of Tenant, Tenant has not given Landlord written notice of a material default under the Lease which has not been cured.

(c) The interest of Tenant in the Lease has not been assigned or encumbered. Tenant is not entitled to any credit against any rent or other charge or rent concession under the Lease except as set forth in the Lease. No rental payments have been made more than one month in advance.

4. All contributions required to be paid by Landlord to date for improvements to the Premises have been paid in full and all of Landlord's obligations with respect to tenant improvements have been fully performed.

IN WITNESS WHEREOF, the Tenant has executed this Tenant Estoppel Certificate as of the day set forth above.

COUNTY OF LOS ANGELES

By: _____

Name: _____

Title: _____

EXHIBIT D

March 3, 2006
LA1 156271v16

EXHIBIT "F"
SUBORDINATION, NON-DISTURBANCE
AND ATTORNMENT AGREEMENT

AND WHEN RECORDED MAIL TO:)

)

County of Los Angeles)

Chief Administrative Office)

Real Estate Division)

222 South Hill Street)

3rd Floor)

Los Angeles, California 90012

Space above for Recorder's Use

SUBORDINATION, NON-DISTURBANCE
AND ATTORNMENT AGREEMENT

NOTICE: THIS SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT RESULTS IN YOUR LEASEHOLD ESTATE BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.

This Subordination, Non-Disturbance and Attornment Agreement ("Agreement") is entered into as of the ____ day of ____, 2006 by and among COUNTY OF LOS ANGELES, a body politic and corporate ("Tenant"), _____, ("Borrower") and _____, ("Lender").

Factual Background

A. Borrower owns certain real property more particularly described in the attached Exhibit A. The term "Property" herein means that real property together with all improvements (the "Improvements") located on it.

B. Lender has made or agreed to make a loan to Borrower. The Loan is or will be secured by a deed of trust or mortgage encumbering the Property (the "Deed of Trust").

C. Tenant and Borrower (as "Landlord") entered into a lease dated ____ (the "Lease") under which Borrower leased to Tenant a portion of the Improvements located within the Property and more particularly described in the Lease (the "Premises").

D. Tenant is willing to agree to subordinate certain of Tenant's rights under the Lease to the lien of the Deed of Trust and to attorn to Lender on the terms and conditions of this Agreement. Tenant is willing to agree to such subordination and attornment and other conditions, provided that Lender agrees to a Non-Disturbance provision, all as set forth more fully below.

Agreement

Therefore, the parties agree as follows:

1. Subordination. The lien of the Deed of Trust and all amendments, modifications and extensions shall be and remain at all times a lien on the Property prior and superior to the Lease, except that if Tenant is granted any option to extend the term of the Lease, right of first offer to lease additional premises, option to purchase the Property, or right of first offer to purchase the Property in the Lease, such provisions shall not be affected or diminished by this subordination, which is conditioned upon the non-disturbance agreement of Borrower and Lender in Section 3 of this Agreement.

2. Definitions of "Transfer of the Property" and "Purchaser". As used herein, the term "Transfer of the Property" means any transfer of Borrower's interest in the Property by foreclosure, trustee's sale or other action or proceeding for the enforcement of the Deed of Trust or by deed in lieu thereof. The term "Purchaser", as used herein, means any transferee, including Lender, of the interest of Borrower as a result of any such Transfer of the Property and also includes any and all successors and assigns, including Lender, of such transferee.

3. Non-Disturbance. The Transfer of the Property or any enforcement of the Deed of Trust shall not terminate the Lease or disturb Tenant in the possession and use of the leasehold estate created thereby, or deprive Tenant of any other property rights granted pursuant to the Lease.

4. Attornment. Subject to Section 3 above, if any Transfer of the Property should occur, Tenant shall and hereby does attorn to Purchaser, including Lender if it should be the Purchaser, as the landlord under the Lease, and Tenant shall be bound to Purchaser under all of the terms, covenants and conditions of the Lease for the balance of the Lease term and any extensions or renewals of it which may then or later be in effect under any validly exercised extension or renewal option contained in the Lease, all with the same force and effect as if Purchaser had been the original landlord under the Lease. This attornment shall be effective and self-operative without the execution of any further instruments upon Purchaser's succeeding to the interest of the landlord under the Lease.

5. Lender Not Obligated. Lender, if it becomes the Purchaser or if it takes possession under the Deed of Trust, and any other Purchaser shall not (a) be liable for any damages or other relief attributable to any act or omission of any prior Landlord under the Lease including Borrower; or (b) be subject to any offset or defense not specifically provided for in the Lease which Tenant may have against any prior landlord under the Lease; or (c) be bound by any prepayment by Tenant of more than one month's installment of rent; or (d) be obligated for any security deposit not actually delivered to Purchaser; or (e) be bound by any modification or amendment of or to the Lease unless the amendment or modification shall have been approved in writing by the Lender.

6. Notices. All notices given under this Agreement shall be in writing and shall be given by personal delivery, overnight receipted courier or by registered or certified United States mail, postage prepaid, sent to the party at its address appearing below. Notices shall be effective upon receipt (or on the date when proper delivery is refused). Addresses for notices may be changed by any party by notice to all other parties in accordance with this Section.

To Lender:

To Borrower: _____

To Tenant: County of Los Angeles
Chief Administrative Office
Real Estate Division
222 South Hill Street, 3rd Floor
Los Angeles, California 90012
Attention: Director of Real Estate

7. Miscellaneous Provisions. This Agreement shall inure to the benefit of and be binding upon the parties and their respective successors and assigns. This Agreement is governed by the laws of the State of California without regard to the choice of law rules of that State.

TENANT: COUNTY OF LOS ANGELES

By: _____

Name: _____

Title: _____

APPROVED AS TO FORM

RAYMOND G. FORTNER, JR.
County Counsel

By: _____
Deputy: Amy M. Caves

BORROWER:

By: _____

Name: _____

Title: _____

LENDER: [Insert name of Lender],

By: _____

Name: _____

Title: _____

RECORDING REQUESTED:

THE COUNTY OF LOS ANGELES

WHEN RECORDED MAIL TO:

Chief Administrative Office

Leasing and Space Management

222 South Hill Street, 4th floor

Los Angeles, CA 90012

This document is recorded for the benefit of the County of Los Angeles and recording is exempt from recording fees pursuant to California Government Code section 27383. This transaction is exempt from documentary transfer tax pursuant to California Revenue and Taxation Code section 11922.

MEMORANDUM OF LEASE

This Memorandum of Lease ("Memorandum") is made and entered into by and between _____ ("Landlord"), and the County of Los Angeles, a public body corporate and politic duly organized and existing under the laws of the State of California (the "Lessee") who agree as follows:

Lessor and Lessee have entered into that certain Lease and Agreement dated as of _____, 2006, (the "Lease"). Pursuant to the Lease, the Lessor has leased to the Lessee real property located at _____ in the County of Los Angeles, State of California, described in Exhibit A attached hereto and incorporated herein by reference, commencing on _____, 2006, and ending on a date _____ () years after the rent commencement date, unless such term is extended or sooner terminated pursuant to the terms and conditions set forth in the Lease. Lessor shall be responsible for providing full (modified) services during the term of the Lease, subject to the terms and conditions of the Lease.

(ADDITIONAL LANGUAGE REGARDING OPTION TO RENEW OR EXTEND, OR UNIQUE PROVISIONS WHICH SHOULD BE A MATTER OF RECORD, SHALL BE INSERTED IN THIS PORTION OF THE FORM)

This Memorandum has been prepared for the purpose of giving notice of the Lease and of its terms, covenants, and conditions, and for no other purposes. The provisions of this Memorandum shall not in any way change or affect the provisions of the Lease, the terms of which remain in full force and effect.

Dated: _____, 2006.

LESSOR:

LESSEE:

EXHIBIT "I"

REQUEST FOR NOTICE

**RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:**

County of Los Angeles
Chief Administrative Office
Real Estate Division
222 South Hill Street
3rd Floor
Los Angeles, California 90012
Attention: Director of Real Estate

REQUEST FOR NOTICE

(UNDER SECTION 2924B CIVIL CODE)

In accordance with Section 2924b, Civil Code, request is hereby made that a copy of any Notice of Default and a copy of any Notice of Sale under the Deed of Trust be mailed to County of Los Angeles, Chief Administrative Office, Real Estate Division, 222 South Hill Street, 3rd Floor, Los Angeles, California 90012, Attention: Director of Real Estate, as described below:

Date of Recording of Deed of Trust

Instrument Number of Deed of Trust

Trustor

Trustee

Beneficiary

"LENDER:

_____,
a _____

By: _____
SIGNEE'S NAME

Its: SIGNEE'S TITLE

(ALL SIGNATURES MUST BE ACKNOWLEDGED)

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COUNTY OF _____

On this _____ day of _____, 20____, before me, _____
a Notary Public in and for the State of California, personally appeared _____
_____ personally known to me (or proved on the basis of satisfactory evidence) to be
the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that
he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s)
on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the
instrument.

WITNESS my hand and official seal

Signature _____

My commission expires _____

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